



A DIVERSIFIED TECHNOLOGY COMPANY

ROPER TECHNOLOGIES OVERVIEW

NEIL HUNN – PRESIDENT & CEO

BAIRD CONFERENCE - NOVEMBER 5, 2019

SIMPLE IDEAS. POWERFUL RESULTS.

SAFE HARBOR STATEMENT



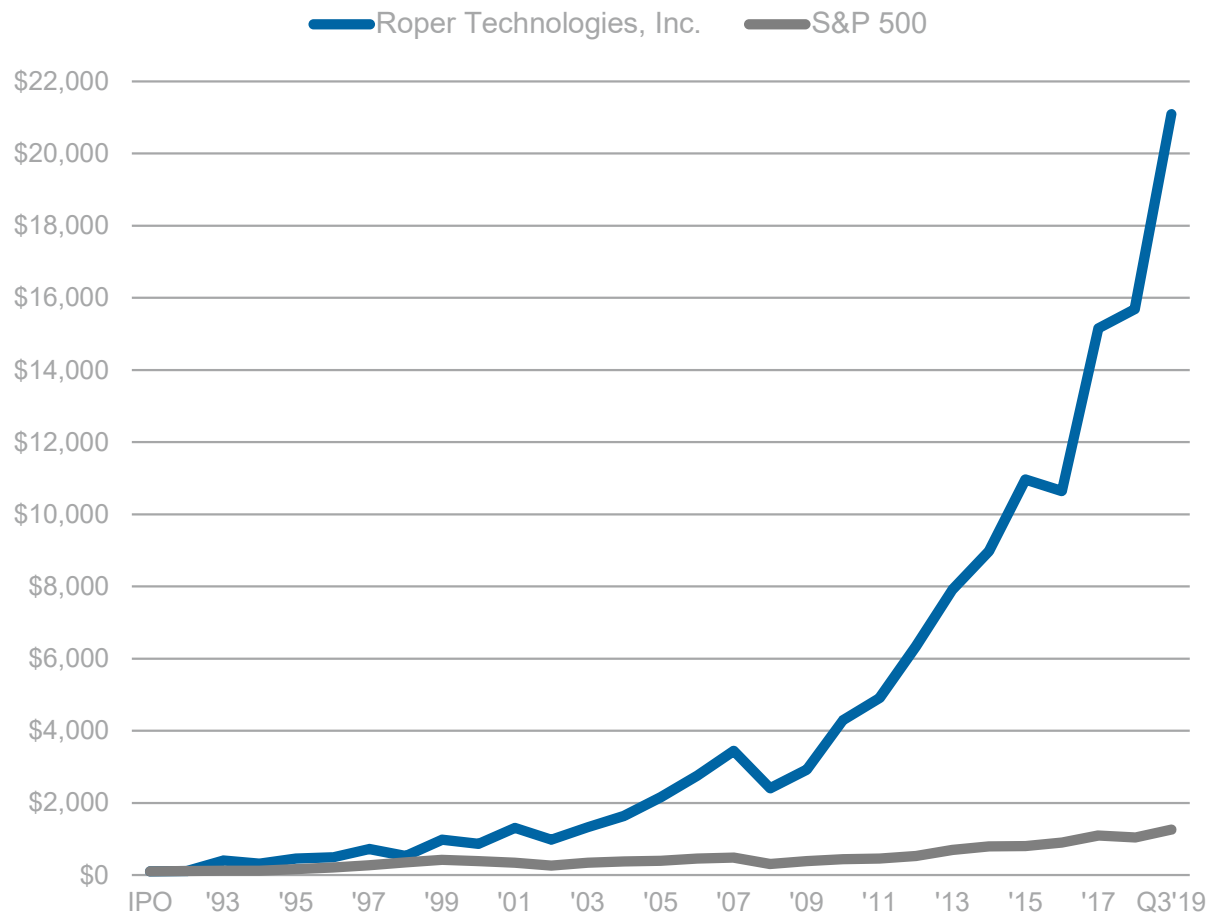
The information provided in this presentation contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements may include, among others, statements regarding operating results, the success of our internal operating plans, and the prospects for newly acquired businesses to be integrated and contribute to future growth, profit and cash flow expectations. Forward-looking statements may be indicated by words or phrases such as "anticipate," "estimate," "plans," "expects," "projects," "should," "will," "believes" or "intends" and similar words and phrases. These statements reflect management's current beliefs and are not guarantees of future performance. They involve risks and uncertainties that could cause actual results to differ materially from those contained in any forward-looking statement. Such risks and uncertainties include our ability to identify and complete acquisitions consistent with our business strategies, integrate acquisitions that have been completed, realize expected benefits and synergies from, and manage other risks associated with, the newly acquired businesses. We also face general risks, including our ability to realize cost savings from our operating initiatives, general economic conditions and the conditions of the specific markets in which we operate, changes in foreign exchange rates, difficulties associated with exports, risks associated with our international operations, increased product liability and insurance costs, increased warranty exposure, future competition, changes in the supply of, or price for, parts and components, environmental compliance costs and liabilities, risks and cost associated with asbestos related litigation and potential write-offs of our substantial intangible assets, and risks associated with obtaining governmental approvals and maintaining regulatory compliance for new and existing products. Important risks may be discussed in current and subsequent filings with the SEC. You should not place undue reliance on any forward-looking statements. These statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

We refer to certain non-GAAP financial measures in this presentation. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found within this presentation.

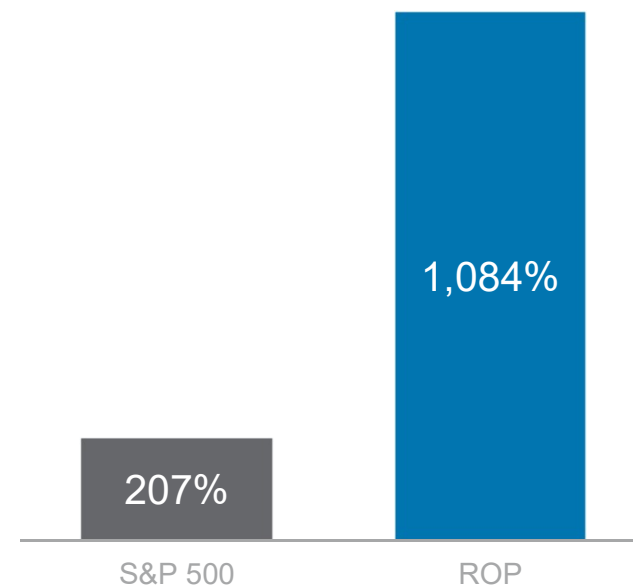
FOCUS ON GENERATING LONG-TERM SHAREHOLDER VALUE



CUMULATIVE TOTAL SHAREHOLDER RETURN (IPO – Q3'19)



TOTAL SHAREHOLDER RETURN (2003 - 2018)

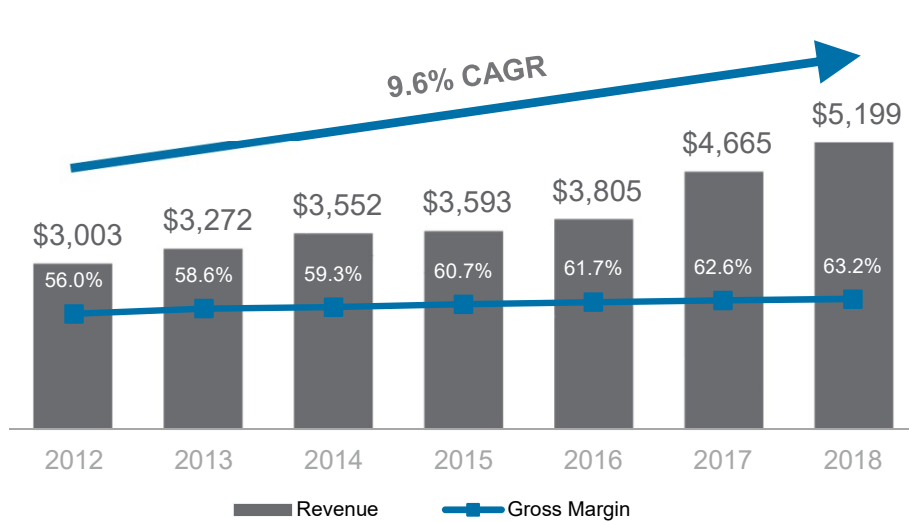


Business Model Designed for Long-Term Value Creation

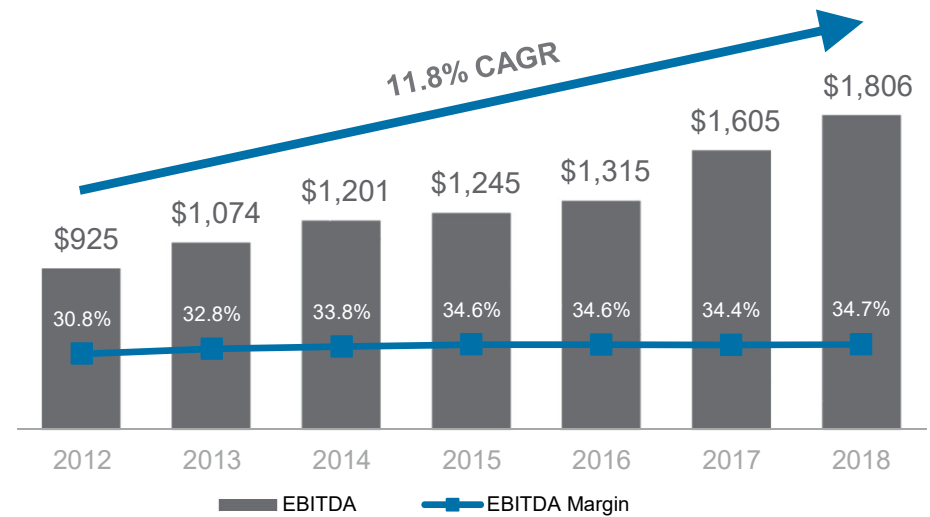
EXECUTING OUR HIGH-PERFORMANCE MODEL



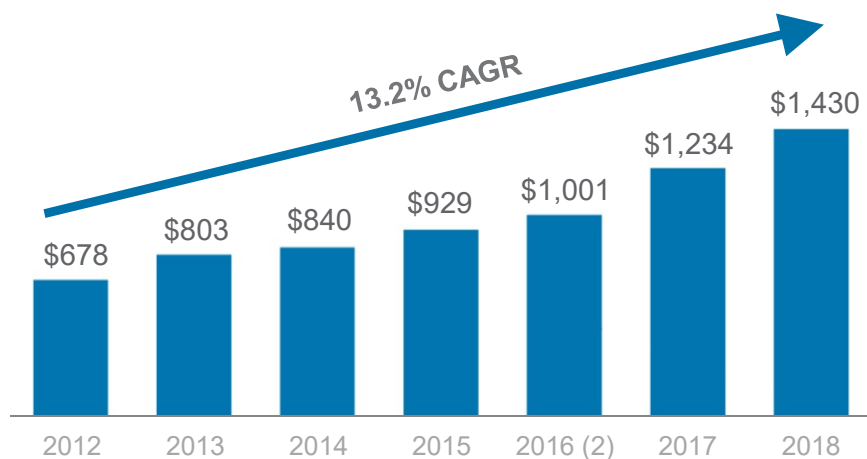
REVENUE (1)



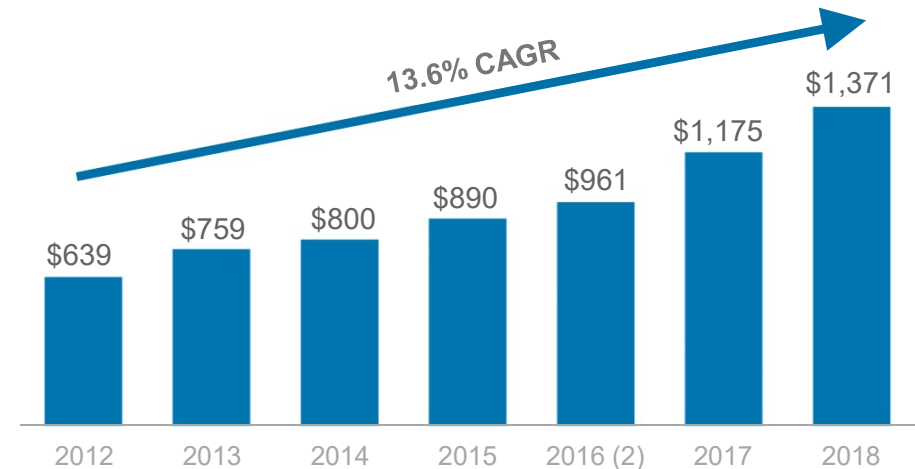
EBITDA (1)



OPERATING CASH FLOW



FREE CASH FLOW (3)



1) Results are presented on an Adjusted (Non-GAAP) basis. See appendix of this presentation for reconciliations from GAAP to Adjusted non-GAAP results.

2) 2016 Operating Cash Flow and Free Cash Flow adjusted for cash taxes from Abel sale (see Appendix for reconciliation).

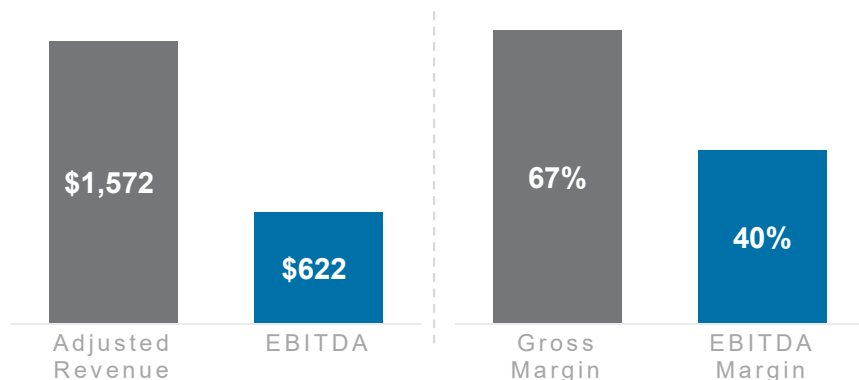
3) Free Cash Flow = Operating Cash Flow less Capital Expenditures and Capitalized Software

SEGMENT OVERVIEW



APPLICATION SOFTWARE

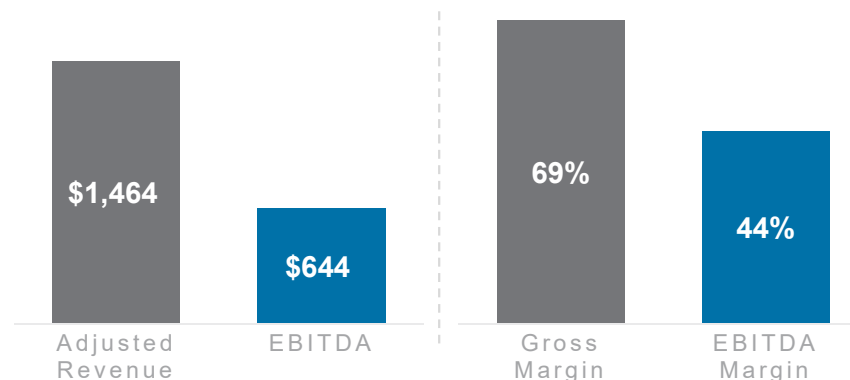
29% of Roper Q3'19 TTM Revenue



Businesses: Aderant, CBORD, CliniSys, Data Innovations, Deltek, Horizon, IntelliTrans, PowerPlan, Strata, Sunquest

NETWORK SOFTWARE & SYSTEMS

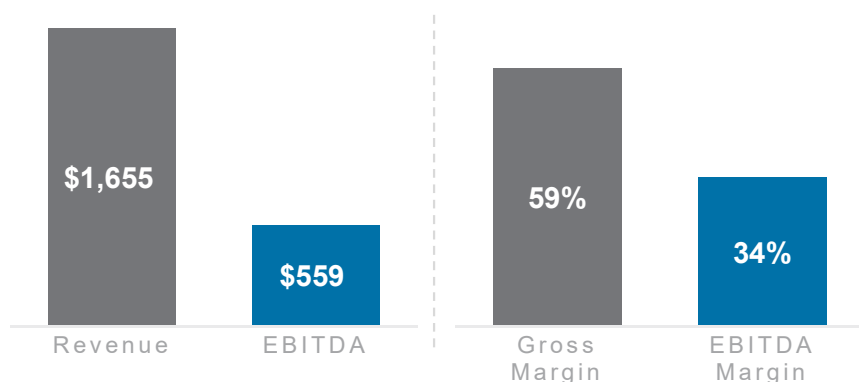
27% of Roper Q3'19 TTM Revenue



Businesses: ConstructConnect, DAT, Foundry, Inovonics, iPipeline, iTradeNetwork, Link Logistics, MHA, RF Ideas, SHP, SoftWriters, TransCore

MEASUREMENT & ANALYTICAL SOLUTIONS*

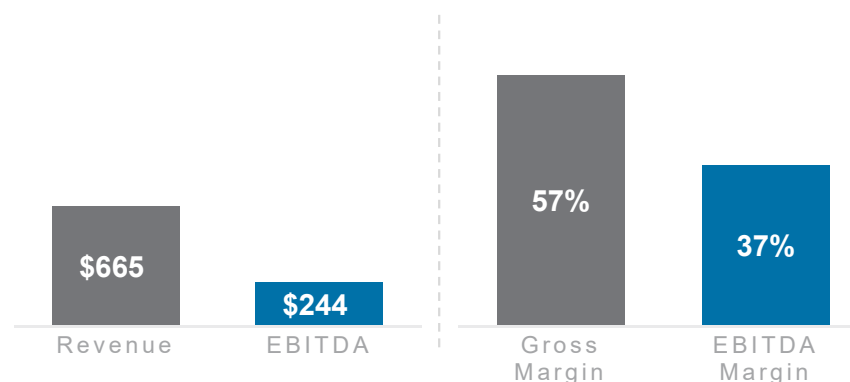
31% of Roper Q3'19 TTM Revenue



Businesses: Alpha, CIVCO Medical Solutions, CIVCO Radiotherapy, Dynisco, FMI, Gatan, Hansen, Hardy, IPA, Logitech, Neptune, Northern Digital, Struers, Technolog, Uson, Verathon

PROCESS TECHNOLOGIES

12% of Roper Q2'19 TTM Revenue



Businesses: AMOT, CCC, Cornell, FTI, Metrix, PAC, Roper Pump, Viatran, Zetec

In \$ Millions; Excludes Corporate Expenses. % of Roper Revenue, Revenue, EBITDA, Gross Margin, and EBITDA Margin are for the trailing twelve months ended June 30, 2019. Results are presented on an Adjusted (Non-GAAP) basis. See appendix of this presentation for reconciliations from GAAP to Adjusted non-GAAP results.

* Includes results of the Scientific Imaging businesses; these businesses were sold to Teledyne on February 5, 2019.

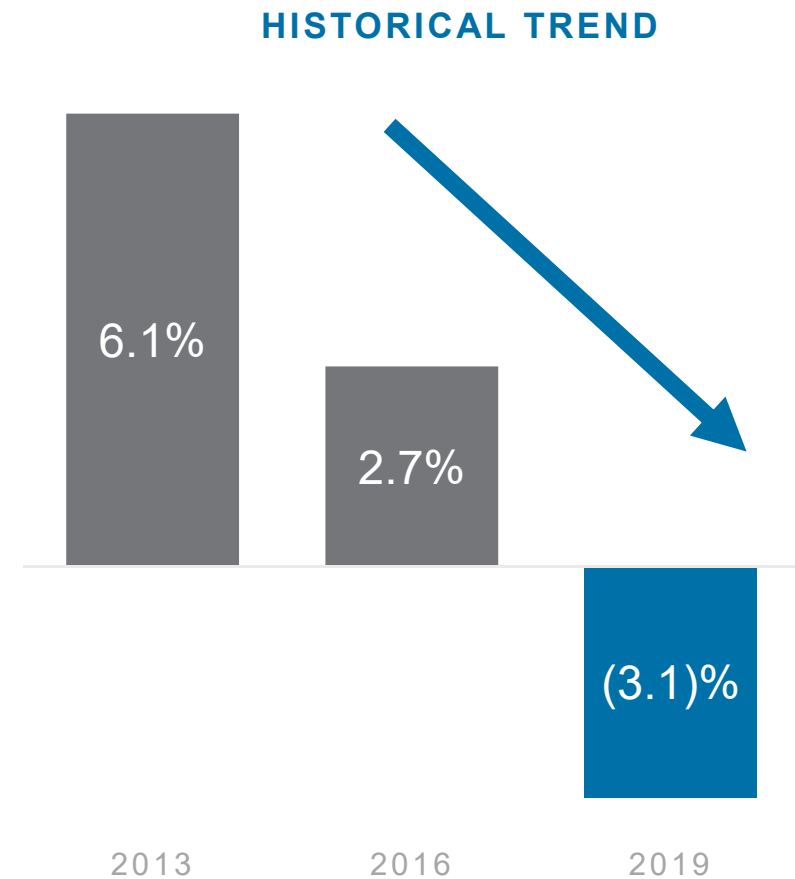
ASSET-LIGHT BUSINESS MODEL



NET WORKING CAPITAL ⁽¹⁾⁽²⁾ AS % OF Q3 ANNUALIZED REVENUE

	<u>9/30/13</u>	<u>9/30/16</u>	<u>9/30/19</u>
(I) Inventory	6.2%	5.2%	4.4%
(R) Receivables	17.8%	16.3%	16.9%
<hr/>			
(P) Payables & Accruals	11.5%	11.1%	10.9%
(D) Deferred Revenue	6.4%	7.7%	13.5%
Total (I+R-P-D)	6.1%	2.7%	(3.1)%

Note: Percentages may not sum correctly due to rounding.

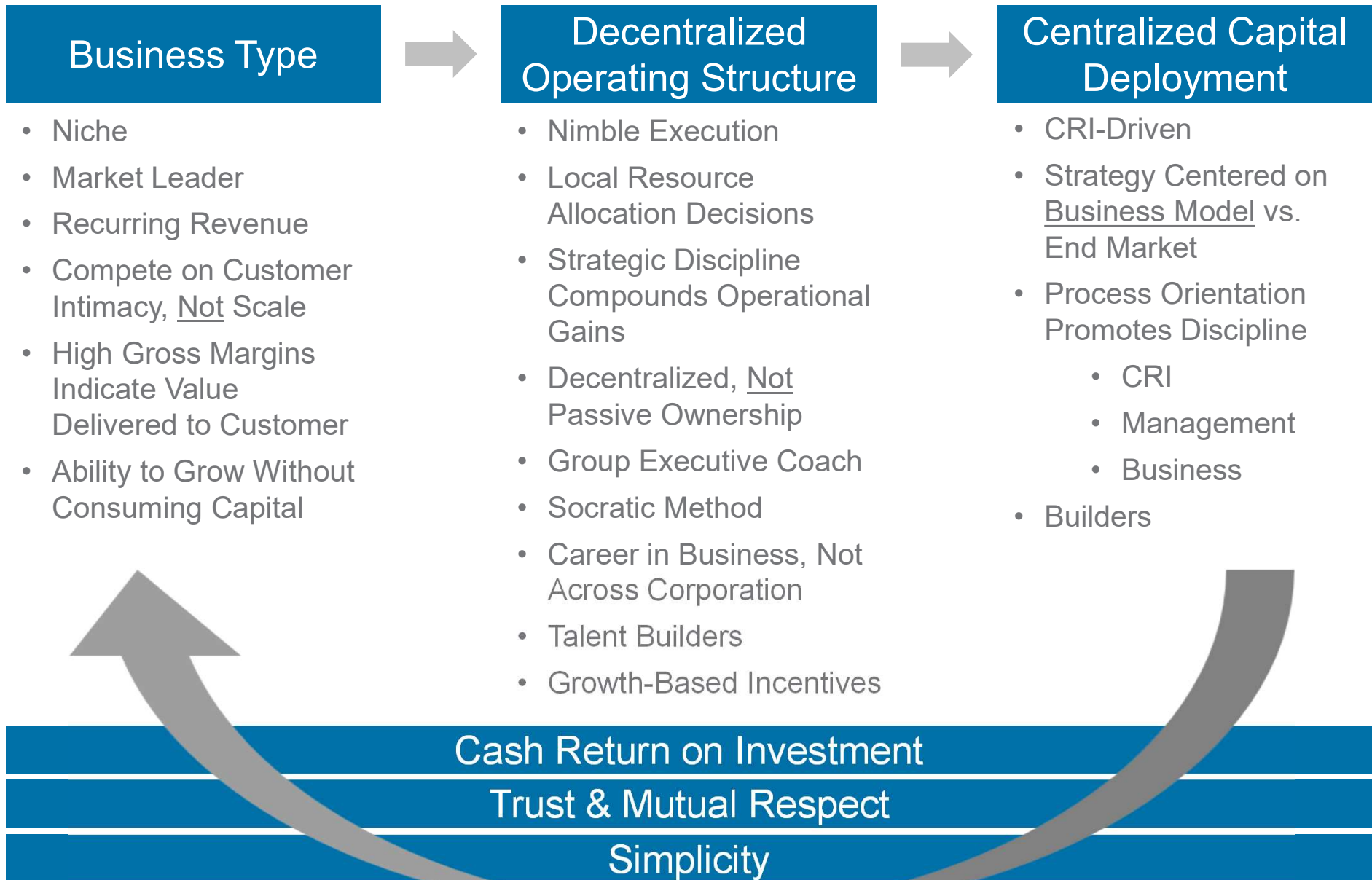


Negative Net Working Capital Remains a Source of Cash

1) Defined as Inventory + A/R + Unbilled Receivables – A/P – Accrued Liabilities – Deferred Revenue; Excludes Acquisitions & Divestitures Completed in Each Quarter, Dividend Accrual, and Current Operating Lease Liabilities.

2) Includes assets and liabilities that have been classified as held-for-sale on Roper's balance sheet.

CONSISTENT ROPER STRATEGY



GOVERNANCE PROCESS ENHANCES GROWTH AND DRIVES FINANCIAL DISCIPLINE



- CRI Focus
- Group Executives Provide Strategic Leadership for Businesses
- Product, Placement, Hit Rate Analysis
- Consistent and Rigorous Strategy Deployment
- Talent Acquisition and Development
- Operating Reviews with Detailed Performance Analysis
- Sales & Operating Leverage; Working Capital Efficiency
- Break-Even Analysis Drives Better Decision Making
- Incentives Tied to Continuous, Sustained Growth; Not Budget-Based

Highly Scalable Business System

DISCIPLINED ACQUISITION STRATEGY FOCUSED ON HIGH QUALITY TARGETS



- We Only Seek Targets with High CRI Business Models; Primarily Software and Networks
- Acquisitions Funded by Excess Cash Flow and Investment Grade Debt
- Leaders in Niche Markets with Sustainable Competitive Advantages
- High Margin, High Recurring Revenue
- Asset-Light with Powerful Cash Flow Characteristics
- Management Teams Committed to Continued Growth
- Businesses Remain Independent; Not Synergy Driven

Capital Deployment Enhances Future Cash Compounding



Meets All Acquisition Criteria

- ✓ Strong Cash Flow Characteristics
 - ✓ Asset Light (Negative Working Capital)
 - ✓ Excellent Management Team
 - ✓ Niche Market Leader
 - ✓ Deep Domain Expertise
 - ✓ High Recurring Revenue
 - ✓ Multiple Growth Opportunities
- Cloud-Based Software Solutions for the Life Insurance Industry
 - Workflow Automation and Seamless Integration Across Broad Network of Carriers, Distributors and Agents
 - Enables Day-To-Day Connectivity Essential to Design, Delivery and Fulfillment of Life Insurance
 - Purchase Price: \$1.625 Billion; Immediately Cash Accretive
 - Expect High Single-Digit Organic Revenue Growth
 - Strong History of Revenue, EBITDA and Cash Flow Growth Expected to Continue
 - Expected 2020 Financial Impact
 - ~\$200M of Revenue
 - ~\$70M of After-Tax Free Cash Flow, Excluding Financing Costs

Another Great Niche Software Business for Roper



- Diversified Technology Company
 - ~45 Independent Businesses with Leadership Positions in Niche Markets
 - Diverse Mix of End Markets; Software & Products; Limited Cyclical Exposure
 - Strong Recurring Revenue and Customer Retention
 - Highly Profitable: 63% Gross Margin, 35% EBITDA Margin, 26% FCF Margin
 - Asset Light Model: Negative Working Capital and Minimal Cap Ex Requirements
- Powerful Cash Flow Engine Drives Capital Deployment
 - Utilize Excess Free Cash Flow and Investment Grade Debt to Fund Acquisitions
 - Acquire Companies that Generate Excess Free Cash Flow for Future Capital Deployment
 - Disciplined Capital Deployment Enhances Long-Term Cash Compounding

Consistent Strong Execution and Excellent Cash Performance

APPENDIX

RECONCILIATIONS I



Adjusted Revenue and EBITDA Reconciliation (\$M)

	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18
Adjusted Revenue Reconciliation							
GAAP Revenue	\$ 2,993	\$ 3,238	\$ 3,549	\$ 3,582	\$ 3,790	\$ 4,607	\$ 5,191
Purchase accounting adjustment to acquired deferred revenue	9	7	2	11	15	57	8
Purchase accounting adjustment to acquired receivables	-	26	-	-	-	-	-
Adjusted Revenue	<u>\$ 3,003</u>	<u>\$ 3,272</u>	<u>\$ 3,552</u>	<u>\$ 3,593</u>	<u>\$ 3,805</u>	<u>\$ 4,665</u>	<u>\$ 5,199</u>
Adjusted EBITDA Reconciliation							
GAAP Net Earnings	\$ 483	\$ 538	\$ 646	\$ 696	\$ 659	\$ 972	\$ 944
Taxes	203	216	275	306	282	63	254
Interest Expense	68	88	79	84	112	181	182
Depreciation	38	38	41	38	37	50	50
Amortization	117	151	156	166	203	295	318
EBITDA	<u>\$ 909</u>	<u>\$ 1,031</u>	<u>\$ 1,197</u>	<u>\$ 1,291</u>	<u>\$ 1,293</u>	<u>\$ 1,560</u>	<u>\$ 1,748</u>
Purchase accounting adjustment to acquired deferred revenue and prepaid commissions	9	7	2	11	15	52	7
Purchase accounting adjustment to acquired receivables and inventory	-	26	1	5	-	-	-
Transaction-related expenses for completed acquisitions	6	-	-	-	6	-	-
One-time expense for accelerated vesting	-	-	-	-	-	-	35
Hansen special charge	-	9	-	-	-	-	-
Debt extinguishment charge	1	-	-	-	1	-	16
Gain on sale of business	-	-	-	(71)	-	(9)	-
Write-down of investment	-	-	-	10	-	-	-
Impairment charge on minority investment	-	-	-	-	-	2	-
Adjusted EBITDA	<u>\$ 925</u>	<u>\$ 1,074</u>	<u>\$ 1,201</u>	<u>\$ 1,245</u>	<u>\$ 1,315</u>	<u>\$ 1,605</u>	<u>\$ 1,806</u>
% of Adjusted Revenue	30.8%	32.8%	33.8%	34.6%	34.6%	34.4%	34.7%

RECONCILIATIONS II



Cash Flow Reconciliation (\$M)

	FY'12	FY'13	FY'14	FY'15	FY'16	FY'17	FY'18
Operating Cash Flow	\$ 678	\$ 803	\$ 840	\$ 929	\$ 964	\$ 1,234	\$ 1,430
Add: Cash taxes paid on sale of ABEL	-	-	-	-	37	-	-
Adjusted Operating Cash Flow	\$ 678	\$ 803	\$ 840	\$ 929	\$ 1,001	\$ 1,234	\$ 1,430
Capital Expenditures	(38)	(43)	(38)	(36)	(37)	(49)	(49)
Capitalized Software Expenditures	(1)	(1)	(3)	(2)	(3)	(11)	(10)
Adjusted Free Cash Flow	\$ 639	\$ 759	\$ 800	\$ 890	\$ 961	\$ 1,175	\$ 1,371

Adjusted Segment Reconciliation (\$M)*

	Application Software	Network Software & Systems	Measurement & Analytical Solutions**	Process Technologies
	TTM Q3'19	TTM Q3'19	TTM Q3'19	TTM Q3'19
GAAP Revenue	\$ 1,569	\$ 1,459	\$ 1,655	\$ 665
PowerPlan, Foundry, iPipeline	2	5	-	-
Adjusted Revenue	1,572	1,464	1,655	665
GAAP Gross Profit	1,051	1,008	970	379
PowerPlan, Foundry, iPipeline	2	5	-	-
Adjusted Gross Profit	1,053	1,013	970	379
% of Adjusted Revenue	67.0%	69.2%	58.6%	57.0%
GAAP Operating Profit	392	527	520	232
PowerPlan, Foundry, iPipeline	2	5	-	-
Adjusted Operating Profit	394	531	520	232
% of Adjusted Revenue	25.1%	36.3%	31.4%	34.8%
Amortization	208	101	28	8
Depreciation	20	12	12	4
Adjusted EBITDA	622	644	559	244
% of Adjusted Revenue	39.6%	44.0%	33.8%	36.6%

* Excludes Corporate Expenses

** Includes the results of Princeton Instruments, Photometrics and Lumenera, as well as other brands (collectively the "Scientific Imaging" businesses). The Company closed on its sale of the Scientific Imaging businesses to Teledyne Technologies Incorporated on February 5, 2019.



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